

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

SERGEY ALEJNIKOV,

Plaintiff,

v.

THE GOLDMAN SACHS GROUP,
INC.,

Defendant.

No. 12-cv-5994-KM-MAH

**AFFIDAVIT OF
GREGORY K. PALM**

Gregory K. Palm, being first duly sworn, states:

1. I am an Executive Vice President, the General Counsel, and Secretary of The Goldman Sachs Group, Inc. ("GS Group"). I have served in those capacities since May 1999. Unless otherwise noted, the following is based on my personal knowledge and review of records of GS Group and of Goldman, Sachs & Co. ("GSCo."). If called upon to do so, I could and would testify competently to the matters set forth herein.

2. I am generally familiar with the organization, operations, and practices of both GS Group, a Delaware corporation and the publicly-held parent company of the Goldman Sachs organization (collectively, the "firm"), and GSCo., the firm's principal U.S. broker-dealer and a limited partnership organized under the laws of the State of New York. I have served in the capacity of General

Counsel of GS Group or its predecessor organizations since 1992, and was involved in the matters discussed below.

3. GS Group and GSCo. appoint their officers by means of formal resolution processes. Both entities have a discrete number of officers who occupy the most senior managerial positions of each company.

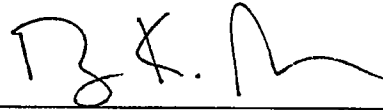
4. Within GSCo., and, for that matter, throughout the financial services industry in my experience, “vice president” (or its equivalent overseas) is a functional title simply denoting a relative level of seniority just above associate and below managing director.

5. I am familiar with the by-laws of GS Group. Further, I was involved in the process by which those by-laws were drafted and adopted.

6. Individuals holding the functional “vice president” title within GSCo. (or its equivalent overseas) were never considered or intended to be “officers” of GS Group or GSCo. for any purpose, including as to the advancement and mandatory indemnification provisions of the by-laws of GS Group.

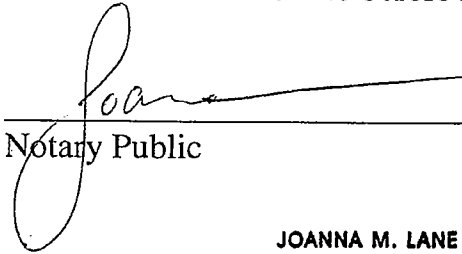
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I declare under penalty of perjury that the foregoing is true and correct.



Gregory K. Palm
Executive Vice President,
General Counsel, and Secretary
The Goldman Sachs Group, Inc.

Subscribed and sworn to before me this 10th day of October, 2012.



Notary Public

JOANNA M. LANE
NOTARY PUBLIC-STATE OF NEW YORK
No. 02LA6244131
Qualified in New York County
My Commission Expires July 27, 2015